

Contract User Guide for ITS55

ITS55: How to Use the Statewide Contract for IBM Software, Appliances, Maintenance, and Technical Support

UPDATED: Thursday,
November 30, 2017

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| Contract #: | ITS55 |
| MMARS MA #: | ITS55* |
| Initial Contract Term: | 3/17/17 - 3/16/2022 |
| Contract Term: | 3/17/17 - 3/16/2022 |
| Maximum End Date: | 3/16/2023 if Commonwealth exercises one-year renewal option |
| Current Contract Duration: | 3/17/17 - 3/16/2022 |
| Contract Manager: | Eziquio Souza, (617) 626-4548, eziquio.l.souza@state.ma.us Executive Office of Technology Services and Security (EOTSS) |
| This Contract Contains: | Discounted pricing |

*The asterisk is required when referencing the contract in the Massachusetts Management Accounting Reporting System (MMARS)

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Contract Summary

Requirement: All Eligible Entities¹ within the Executive Department of the Commonwealth of Massachusetts must submit in an email to the Contract Manager their intention to purchase or procure covered goods/services. **All requests are subject to review by the Executive Office of Technology Services and Security.**

¹ An "Eligible Entity" is defined as any public agency, commission, board, or the like, within the Commonwealth of Massachusetts.

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ITS55 replaces ITS41 and allows for the acquisition of IBM (1) Software, (2) Appliances, and (3) Maintenance, Technical Support, and Training.² It does **not** include IBM hardware.³ A catalog of eligible products is available on the IBM website.⁴ ITS55 provides onsite and online training courses associated with IBM products at a 12% discount from GSA-level pricing. It provides a 10% discount from IBM's J-level pricing for Software, Appliances, Maintenance, and Technical Support.

Eligible Entities may use ITS55 without conducting a competitive procurement if any of the following exceptions to the Operational Services Division's competitive procurement rules holds:

- (1) Eligible Entity is procuring additional licenses for IBM products already owned;
- (2) Eligible Entity is procuring maintenance; or
- (3) Eligible Entity is procuring software that is standardized within the Eligible Entity.

If none of these exceptions apply, an Eligible Entity must conduct a fair, open, and competitive procurement addressed to all eligible vendors through all relevant Statewide Contracts.⁵

All Eligible Entities within the Executive Department of the Commonwealth of Massachusetts must further submit in an email to the Contract Manager their intention to purchase or procure covered goods/services. All requests are subject to review by the Executive Office of Technology Services and Security.

² An eligible "appliance" under ITS55 is defined as a product designed for a particular function and not for general purpose computing tasks. It may be a Program (in the case of a "Virtual Appliance") or composed of a Program Component, a Machine Component, or any Machine Code Component that IBM may provide to an Eligible Entity.

³ The Statewide Contract for hardware products is ITC47. The ITC47 user guide can be found here:
<http://www.mass.gov/anf/docs/osd/uguide/itc47.pdf>

⁴ <http://www-304.ibm.com/shop/americas/content/home/state/massachusetts/spl.html>

⁵ The most commonly used Statewide Contract for software products is ITS58. The ITS58 user guide can be found here:
<http://www.mass.gov/anf/docs/osd/uguide/its58.pdf>

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Benefits and Cost Savings

Statewide contracts are an easy way to obtain benefits for your organization by leveraging the Commonwealth's buying power, solicitation process, contracting expertise, vendor management and oversight, and the availability of environmentally preferable products.

Please see Pricing Options & Discounts for specific discounts available by product.

Find Bid/Contract Documents

To find all contract documents, including this Contract User Guide, Contract, and others visit COMMBUYS.com and search Contracts for ITS55 or click [PO-17-1060-ITD00-ITD00-10176](#) to access the Contract directly.

Who Can Use This Contract

Applicable Procurement Law

Executive Branch Goods and Services: MGL c. 7, § 22; c. 30, § 51, § 52; 801 CMR 21.00;

Eligible Entities

Please see the standard list of Eligible Entities on the [Who Can Use Statewide Contracts](#) webpage.

Subcontractors

The awarded vendor's use of subcontractors is subject to the provisions of the Commonwealth's Terms and Conditions and Standard Contract Form, as well as other applicable terms of this Statewide Contract.

Pricing, Quote & Purchase Options

Purchase Options

The acquisition methods to acquire goods and/or services from ITS55 are outright purchase from IBM, fee for service, and license agreements.

Pricing Options & Discounts

Contract Categories

This contract includes three categories as listed below.

- **Category 1: Software & Appliances:** All IBM software and appliances are available under ITS55. IBM provides two primary categories of software products to the Commonwealth: mainframe software and distributed software. Mainframe software includes System z, i, or p Programs, and Power Systems. Distributed software is offered via the International Passport Advantage Agreement.

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- **Category 2: Services:** Only Software Maintenance and Technical Support are available under ITS55. All other IBM services must be procured through Statewide Contract ITS53.
- **Category 3: Education & Training:** IBM may conduct classes on site at the request of the Eligible Entity. IBM provides online training in addition to onsite courses. Class descriptions and prices are available online.

Pricing for all Software, Appliances, and Services provided under the contract are listed below. Eligible Entities may negotiate better discounts for individual Transaction Documents entered with IBM under this contract.

Cost Table

| Product/Service | Discount Level | Hourly Rate |
|---|--|-------------|
| 1. Software & Appliances | Passport Advantage: Level J-10% ⁶ Mainframe Software (OTC and MLC): GSA ⁷ | N/A |
| 2. Maintenance & Technical Support | Passport Advantage: Level J-10% Mainframe Software (OTC and MLC): GSA | N/A |
| 3. Training, Hourly Rate by Course Type | N/A | GSA-12% |
| Training course | GSA-12% | N/A |

⁶ IBM provides to the Commonwealth of Massachusetts Passport Advantage Commercial Pricing Discount Level J-10%. This is IBM's deepest discount level provided under contract.

⁷ Offered prices to the Commonwealth of Massachusetts for Mainframe One-Time Charge (OTC) and Monthly License Charge (MLC) software under this Statewide Contract will be the better of the Commonwealth's currently entitled price or the price in the current published Contractor GSA price tables; provided that: (1) Successor Contractor GSA Schedule contract(s) are awarded to IBM in subsequent federal government fiscal years, (2) Software for which prices are offered remain available under the Contractor GSA Schedule contract in subsequent federal government fiscal years, and (3) IBM continues to provide software maintenance/services for these products.

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Software

Pricing information for IBM Software can be found on the IBM website.⁸

Mainframe Software

Mainframe software is licensed under the International Passport License Agreement (IPLA). IBM will provide mainframe software licenses and maintenance and technical support at a discount rate equal to the federal General Services Administration (GSA) rate or the Commonwealth's currently entitled price, if lower.

Passport Advantage (Distributed) Software

Passport Advantage (Distributed) Software is offered under International Passport Advantage Agreement (IPAA). Online pricing schedules for Passport Advantage software licenses and Subscription and Support ("S&S") are available via the website stated above. IBM will provide to the Commonwealth of Massachusetts Passport Advantage Commercial Pricing Discount Level J-10%.

Maintenance & Technical Support

IBM maintains a Contractor Software Support Handbook.⁹ Additional support offerings above standard support offering packages are outlined in the "Support Portfolio" section of the Software Support Handbook and are custom-priced based on specific metrics, such as the scope of servers or software products covered.

IBM publishes a varied schedule of pricing for maintenance based on multiple factors that can modify the price percentage of the maintenance cost. **However, in general, maintenance cost is factored at approximately 20% of the price of the Software license or the price of the Appliance.** One year of maintenance is typically packaged into the purchase of new software.

Reinstatement of Maintenance

Eligible Entities may choose to purchase maintenance for all, or only a portion of, their software licenses. There is no penalty for purchasing maintenance for only a portion of licenses. However, if an Eligible Entity cancels maintenance and then later reinstates the same maintenance, a fee may apply. For mainframe one-time charge (OTC) products, Eligible Entities reinstate IBM maintenance at a resumption fee equivalent to current maintenance (i.e. subscription and support). For Passport Advantage products, an Eligible Entity may reinstate IBM S&S at the fee specified in the product's

⁸ <https://www.ibm.com/industries/sled-contracts/ibm-state-massachusetts>

⁹ www14.software.ibm.com/webapp/set2/sas/f/handbook/home.html

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reinstatement part numbers as identified in the Passport Advantage catalog. For mainframe one-time charge (OTC) products, Eligible Entities reinstate IBM S&S at a resumption fee equivalent to current IBM S&S charges retroactive to date of termination or cancellation. Although an additional one-time charge may apply, Eligible Entities are entitled to a 10% discount from J-level pricing for all maintenance charges and for reinstatement part numbers.

Education & Training

Class descriptions and prices are available online.¹⁰ Under ITS55, IBM will provide a 12% discount from the GSA rate for either fixed-hour courses or hourly training.

Instructions for MMARS Users

MMARS users must reference the MA number in the proper field in MMARS when placing orders with any contractor.

Contract Exclusions and Related Statewide Contracts

See the Summary for situations where the contract cannot be used. Some IBM products are available under ITC47, the IT Hardware and Services Contract, and IBM services are available under ITS53, Project Services, Solution Providers. Some IBM software is available through ITS58, the Software Reseller contract.

Emergency Services

Emergency Services under ITS55 are made available to certain Eligible Entities during a declared state of emergency. IBM will provide goods/services on a priority basis to the Commonwealth at the rates set forth above. To invoke Emergency Services, contact the Contract Manager.

Additional Information

Product Trials, Pilots & Demonstrations

Pilot programs provide Eligible Entities with limited licenses and are to be used for internal evaluation purposes only. Pilot programs are typically at no cost to the Eligible Entity. Pilot programs may include a disabling device that will prevent further use after the evaluation period. The Eligible Entity must delete all copies (except a copy retained for archival purposes only) after the end of the evaluation period. Typically pilot programs will not include support of any kind.

¹⁰ <http://www-304.ibm.com/shop/americas/content/home/state/massachusetts/spl.html>

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Warranties

There are a number of warranties in the contract obligating IBM to certain standards of product, service, and professionalism. Information on IBM's representations, warranties, covenants, and guarantees are found in Section 2.2 of the contract. Concerns or questions may also be directed to the Contract Manager.

Strategic Sourcing Team Members

- Linda Hamel
- Elizabeth Rooney
- Tracy Williams

Vendor List and Information

The only vendor on this contract is International Business Machines (IBM). Contact:

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